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May 24, 2007

VIA OVERNIGHT MAIL

Charles L.A. Terreni, Chief Clerk
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Joint Application of Trinsic Communications, Inc., Touch 1 Communications, Inc., and any successor in interest of either, including a Chapter 7 bankruptcy trustee, and Matrix Telecom, Inc. for Approval of a Transfer of Assets,
Docket No. 2007-134-C

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Dear Mr. Terreni:

Enclosed herein for filing in the above-referenced docket, please find the original and eleven (11) copies of the Pre-Filed Testimony of Scott Klopach, on behalf of Matrix Telecom, Inc. Pursuant to Commission rules, I am concurrently serving a copy of this Petition on the Office of Regulatory Staff.

Please stamp and return to me in the enclosed envelope the copy provided for that purpose. Should you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,

Scott Klopach
Vice President of Regulatory Affairs and
General Counsel

Enclosure

cc: Office of Regulatory Staff

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MAY 25 2007

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**Before the
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

In the Matter of)	
)	
Trinsic Communications, Inc.,)	Docket No. 2007-134-C
Touch 1 Communications, Inc., and)	
any Successor in Interest, Including a)	
Chapter 7 Bankruptcy Trustee)	
)	
AND)	
)	
Matrix Telecom, Inc.)	
)	
Joint Application for Approval of a)	
Transfer of Assets)	
)	

PRE-FILED TESTIMONY OF SCOTT KLOPACK

Q. Please state your name, title, and business address.

A. My name is Scott Klopach. I am Vice-President of Regulatory Affairs and General Counsel of Matrix Telecom, Inc. ("Matrix"). My business address is 7171 Forest Lane, Suite 700, Dallas, Texas 75230.

Q. Please describe your responsibilities for Matrix Telecom, Inc.

A. As Vice-President of Regulatory Affairs and General Counsel of Matrix, I am responsible for all of Matrix's legal matters, including relations with government regulatory agencies and regulatory compliance.

Q. Please describe your educational and professional background.

A. I have a broad background as an attorney, working primarily as a litigator for the first several years out of law school. As a sole practitioner, my practice included transactional work, including corporate structuring, drafting and negotiating commercial leases,

purchase agreements, and similar documents. I then spent several years as in-house counsel, including as Senior Counsel for Nucentrix Broadband Networks, responsible for a variety of issues, from managing litigation and negotiating tower leases to advising the company's executives and directors as necessary. I have served as in-house counsel for Matrix for a year and have been responsible for company legal matters as well as any and all relations with government regulatory agencies and regulatory compliance.

I obtained a Bachelor of Arts degree in political science from Austin College and a Juris Doctorate from Baylor Law School.

Q. Have you testified before the Public Service Commission of South Carolina previously?

A. No.

Q. Have you read the Joint Application filed in this matter on April 12, 2007?

A. Yes, I have.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to describe and support the Joint Application of Trinsic Communications, Inc. ("Trinsic Communications"), Touch 1 Communications, Inc. ("Touch 1"), and any successor in interest of either, including a Chapter 7 bankruptcy trustee (collectively, "Trinsic"), and Matrix (and, together with Trinsic, the "Applicants"), for approval from the Commission to transfer control of Trinsic's assets used to provide local and long distance telecommunications services to Matrix.

Q. Please briefly describe Matrix.

A. Since 1999, Matrix, a Texas corporation, has been an indirect wholly owned subsidiary of Platinum Equity, LLC ("Platinum Equity"), a Delaware limited liability company

headquartered in Beverly Hills, California. Matrix provides competitive integrated communications services, including local, long distance, and toll-free voice services plus a wide range of data services, such as dedicated Internet access, frame relay, and point-to-point transmission services, chiefly to enterprise customers throughout the United States. Matrix holds Commission-issued authority to provide resold local exchange services in South Carolina, granted in Docket Number 2005-98-C, on August 25, 2005, in Order Number 2005-449, and Matrix has requested authority to provide facilities-based services in this docket. In addition, Matrix holds authority to provide resold interexchange telecommunications services, granted in Docket Number 90-517-C, on December 19, 1990, in Order No. 90-1176. Additional details regarding the Certificate and Matrix are provided in the Joint Application.

Q. Please briefly describe Trinsic Communications and Touch 1.

A. Trinsic Communications, a Delaware corporation, and Touch 1, an Alabama corporation, are both wholly owned subsidiaries of Trinsic, Inc., a Delaware corporation, which was founded in January 1998 as Z-Tel Technologies, Inc. Trinsic provides circuit-switched local and long-distance telephony services in 49 states and the District of Columbia. Trinsic provides residential and business local and long distance telecommunications services in combination with enhanced communications features accessible through the telephone, the Internet, and certain personal digital assistants. At the end of 2006, Trinsic served approximately 150,000 residential and business customers, in addition to approximately 23,000 stand-alone presubscribed long distance customers, primarily by reselling wholesale long distance services and “local wholesale” services purchased from

the Bell Operating Companies and other large incumbent local exchange carriers (“ILECs”).

In South Carolina, Trinsic Communications holds Commission-issued authority to provide resold local exchange and interexchange services. The Commission granted Trinsic Communications authority to provide local exchange and interexchange telecommunications services in Docket Number 98-303-C, under its former name, Z-Tel Technologies, on October 2, 1998, in Order No. 98-762, as modified on September 28, 2000, in Order No. 2000-809 (to specify facilities-based local exchange authority). The Commission granted Touch 1 authority to provide interexchange service in Docket Number 94-586-C in Order No. 95-150 on January 26, 1995. Additional details regarding Trinsic are provided in the Joint Application.

Q. Please describe the transaction.

- A. As a result of changes to its cost structure resulting from, among other factors, the elimination of ILEC unbundled network element platform (“UNE-P”) offerings, Trinsic was forced earlier this year to seek bankruptcy relief. On February 7, 2007, Trinsic and its affiliates filed a petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Alabama (the “Bankruptcy Court”). During the Bankruptcy Court proceedings, Trinsic ultimately determined that successful business reorganization would not be possible. It concluded that the sale of its assets was required to ensure continuity of service to its customers. Therefore, Tide Acquisition Corporation (“Tide”), a newly formed subsidiary of Platinum Equity, was the winning bidder in an auction conducted under the supervision of the Bankruptcy Court, and entered into the APA with Trinsic on March 21, 2007. Tide

subsequently assigned its rights and obligations under the APA to Matrix.

The APA requires the sale to be completed within 75 days, or by June 9, 2007, and the APA, including this deadline, has been approved by the Bankruptcy Court. The Joint Application erroneously stated that the deadline was June 4, 2007, and I would like to correct this error through this testimony.

The Applicants believe that this sale will be seamless and transparent to Trinsic's customers. Under the terms of the APA, Matrix will acquire Trinsic's entire local and long distance customer base, together with its rights and responsibilities under contracts necessary to operate Trinsic's business, Trinsic's real and personal property, equipment, fixtures, intellectual property, trademarks, and most other Trinsic assets. Thus, the proposed sale of Trinsic's assets to Matrix will cause no interruption in service to customers. No existing service will be discontinued, reduced, or impaired as a result of the sale of these assets. Furthermore, this transaction will not affect rates for, or terms or conditions of, any service being provided by Trinsic to customers in South Carolina. Further, Matrix will continue to provide service to these customers using the Trinsic names, possibly on a co-branded basis.

Q. Why do the Applicants seek expedited treatment?

A. As described above, on February 7, 2007, Trinsic and its affiliates sought relief from creditors before the Bankruptcy Court. Trinsic ultimately determined that successful business reorganization would not be possible and, following a Court-supervised auction, entered into the APA, which, prior to the assignment to Matrix, provided for the sale of its assets to Tide. The APA requires the sale to be complete on or before June 9, 2007, and this deadline has been approved by the Bankruptcy Court. Accordingly, the

Applicants, respectfully request that the Commission approve this application as expeditiously as possible in advance of that date in order to allow them to meet their contractual obligations. Additionally, because Trinsic has filed for bankruptcy, approval is necessary to ensure the continuation of service to Trinsic's customers.

Q. Please describe the effect of the Transaction on South Carolina consumers.

A. The proposed sale of Trinsic's assets to Matrix will cause no interruption in service to customers. Additionally, immediately following the consummation of the proposed transaction, Matrix will offer service to the former Trinsic customers with no change in the rates or terms and conditions of service that those customers formerly received from Trinsic. Further, Matrix will continue to provide service to the former Trinsic customers using the Trinsic name, probably on a co-branded-basis with Matrix. Therefore, the sale of Trinsic's assets will be seamless and transparent to consumers in South Carolina.

Q. Please describe the financial and managerial qualifications of Matrix.

A. Matrix has the technical, managerial, and financial qualifications to acquire control of Trinsic. In 2005, Matrix completed the acquisition of certain assets from Global Crossing Telecommunications, Inc. ("GC") primarily consisting of the customer base of GC's Small Business Group. Through Platinum Equity, Matrix also is affiliated with Americatel Corporation and soon will be affiliated with Startec Global Operating Company, both Delaware corporations operating as interexchange resellers across the nation. Platinum Equity, through its ownership of these companies, and Matrix, based on its history of successful operation, have amply demonstrated their qualifications to purchase and operate Trinsic's assets.

Q. Please describe the public interest benefits associated with the transaction.

A. Applicants submit that the transaction will serve the public interest. The sale of Trinsic's

assets to Matrix will ensure that Trinsic's customers continue to receive high-quality telecommunications services without interruption or disruption that would otherwise be caused by their originally chosen carrier's bankruptcy. Trinsic is in liquidation, and can no longer continue to provide service to its customers. In the absence of a sale of its assets and customer base to another carrier, such as Matrix, each Trinsic customer would lose service and be forced to seek out a carrier independently that can replicate its existing services. Additionally, the transaction will strengthen competition in South Carolina by helping Matrix's business to grow.

Further, the transaction will benefit customers by permitting Matrix to integrate Trinsic's proprietary technologies, described above, into its own services to create new, "best-of-class" offerings. In this way, the sale will ensure that the benefits Trinsic's customers currently enjoy remain available to them, and also may become available to Matrix's existing customers, benefiting the entire merged customer base.

Q. Does this conclude your testimony?

A. Yes, it does. Thank you.

VERIFICATION

Scott Klopach, being first duly sworn, on oath, deposes and states that he is the Vice President of Regulatory Affairs and General Counsel of Matrix Telecom, Inc., and that he has read the above and foregoing testimony and knows the contents thereof, and that the same are true to the best of his knowledge, information, and belief.


MATRIX TELECOM, INC.



Scott Klopach
Vice President of Regulatory Affairs and
General Counsel

Subscribed and sworn to before me this 21st day of May, 2007.




Notary Public

My Commission expires: 01-25-2010